		ELECTRONICALLY FILED October 23, 2006
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9	Equity Security Holders Of OSA Capital Flist Hust	Deed rund, LEC
10	UNITED STATES BANKRUPTCY COURT DISTRICT OF NEVADA	
l1 l2	In re: USA COMMERCIAL MORTGAGE COMPANY, Debtor.) BK-S-06-10725-LBR) Chapter 11
13	In re: USA CAPITAL REALTY ADVISORS, LLC, Debtor.) BK-S-06-10726-LBR) Chapter 11
l4 l5	In re: USA CAPITAL DIVERSIFIED TRUST DEED FUND, I Debtor.	BK-S-06-10727-LBR Chapter 11
l6 l7	In re: USA CAPITAL FIRST TRUST DEED FUND, LLC, Debtor.	BK-S-06-10728-LBR Chapter 11
18	In re: USA SECURITIES, LLC, Debtor.) BK-S-06-10729-LBR) Chapter 11
19 20 21 22	Affects ☐ All Debtors ☐ USA Commercial Mortgage Co. ☐ USA Securities, LLC ☐ USA Capital Realty Advisors, LLC ☐ USA Capital Diversified Trust Deed ☐ USA First Trust Deed Fund, LLC	Date: October 30, 2006 Time: 9:30 a.m.
23 24	LIMITED OBJECTION OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY	
25 26	TO APPROVE LOAN MODIFICATION FOR PALM HARBOR ONE LOAN, TO PROVIDE THE PREVIOUSLY AUTHORIZED SUBORDINATION OF THE MARLTON SQUARE 2 ND	
27	AUTHORIZE A SHORT-TERM FORBEARANCE FOR THE MARLTON SQUARE 1 ST LOAN, AND TO GENERALLY AUTHORIZE SHORT-TERM FORBEARANCES AND FULL RELEASES AND RECONVEYANCES FOR LOANS PAID OFF IN FULL (AFFECTS USA	
8.	COMMERCIAL MORTGAGE COMPANY AND USA CAPITAL FIRST TRUST DEED FUND, LLC)	

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The Official Committee of Equity Security Holders of USA Capital First Trust

Deed Fund, LLC (the "FTD Fund Committee") appointed in the above-captioned bankruptcy
cases (the "Chapter 11 Cases"), hereby submits a limited objection (the "Objection") to the
"Motion To Authorize Debtor USA Commercial Mortgage Company As Loan Servicer To

Approve Loan Modification For Palm Harbor One Loan, To Provide The Previously Authorized
Subordination Of The Marlton Square 2nd Loan In Connection With The Payoff Of The Marlton
Square 1st Loan, To Authorize A Short-Term Forbearance For The Marlton Square 1st Loan, And
To Generally Authorize Short-Term Forbearances And Full Releases And Reconveyances For
Loans Paid Off In Full" (the "Motion") filed by USA Commercial Mortgage Company
("USACM") and respectfully represents as follows:

POINTS AND AUTHORITIES

- 1. On October 4, 2006, the USACM filed the Motion, by which USACM requests that the Court authorize USACM to make modifications to three loans that USACM services and "to agree to short-term forbearances for other Loans being serviced by the Debtor and to provide full releases and reconveyances for Loans that are being paid in full, whether through a sale of the underlying collateral or through the refinancing of the Loan, consistent with the terms of the Loan Servicing Agreements."
- 2. The FTD Fund Committee objects to the Motion insofar as the Motion requests that the Court authorize USACM to agree to short-term forbearances for unspecified loans being serviced by USACM. Rather than requesting authorization to agree to forbearances of a finite period of time (e.g. 60 days), the Motion requests that the Court authorize USACM to agree to "short-term" forbearances. While the FTD Fund Committee recognizes that authorizing USACM to agree to forbearances on loans being serviced by USACM may benefit the Debtors' estates, the FTD Fund Committee believes that USACM's request for authority to agree to "short-term" forbearances is too ambiguous: USACM may agree to a forbearance that it deems to be "short-term" but which other parties-in-interest do not believe is "short-term."

 Accordingly, the FTD Fund Committee takes the position that if the Court authorizes USACM to

1 agree to forbearances on the loans USACM services, the Court should establish a finite limit. 2 such as 60 days, to the duration of a forbearance to which USACM may agree without obtaining 3 further Court approval. 4 Furthermore, the FTD Fund Committee requests that the Debtors and 5 SPCP Group, LLC ("Silver Point") make an affirmative representation that none of the relief requested in the Motion conflicts with the terms of either (a) the offer letter dated September 11, 6 7 2006 (the "Offer Letter") from Silver Point, or (b) the Asset Purchase Agreement, dated as of 8 October 19, 2006 (the "APA"), between the Debtors and Silver Point. The FTD Fund 9 Committee believes that such representations are necessary so that the Debtors do not 10 unintentionally breach the Offer Letter and APA. In particular, the FTD Fund Committee is 11 concerned about the proposed releases and reconveyances to be provided pursuant to the relief 12 requested in the Motion. 13 4. Accordingly, the FTD Fund Committee requests (a) that any order 14 granting the Motion provides a finite limit, such as 60 days, to the duration of forbearances to 15 which USACM may agree without obtaining further Court approval; and (b) that the Motion not 16 be granted unless the Debtors and Silver Point affirm that none of the relief requested in the 17 Motion conflicts with either the Offer Letter or the APA. 18 19 Respectfully submitted this 23rd day of October, 2006. 20 21 FRANK A. MEROLA (CA State Bar No. 136934), 22 EVE H. KARASIK (CA State Bar No. 155356), and

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